

FISCAL NOTE

SB 1354 - HB 1448

March 5, 2007

SUMMARY OF BILL: Requires the State Treasurer to administer a voluntary program known as the Tennessee Real Estate Escrow (TREE) program. The TREE program shall collect a quarterly payment of interest generated on the escrow and trust fund accounts of real estate brokers and deposit such interest into the Tennessee Voluntary Fund for Indigent Civil Representation.

ESTIMATED FISCAL IMPACT:

Increase State Revenues – Exceeds \$100,000
Tennessee Voluntary Fund for Indigent Civil Representation

Increase State Expenditures - \$50,000 Recurring
\$30,000 One-Time

Assumptions:

- Approximately 9,400 licensed real estate brokers.
- A licensed real estate broker shall be presumed to be voluntarily participating in the TREE program unless the broker declines to participate in the program by providing written notice to the State Treasurer.
- The number of brokers who will participate in the TREE program is unknown and the amount of quarterly interest generated on the escrow and trust fund accounts of real estate brokers is unquantifiable. However, we estimate that state revenues to the Tennessee Voluntary Fund for Indigent Civil Representation received from interest generated on the escrow and trust fund accounts of real estate brokers will exceed \$100,000.
- A recurring increase in state expenditures for the salary and benefits for one position to administer the TREE program.
- A one-time increase in state expenditures to develop a computer system for tracking participating brokers and for tracking the collection and distribution of interest payments.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director